Introduction:

This essay will discuss the organizational structure at the author's place of employment and will discuss the degree and effectiveness of empowerment.

Discussion:

The author is currently on contract as a project manager within the enterprise data warehouse of a financial institution, having $43 billion in assets, operating six affiliated commercial banks in eight western states, and employing over ten thousand full-time persons. With respect to daily operations, each bank functions as an autonomous vertical organization. However, there are a number of centrally-administered functions, such as the processing of loan and deposit data, which operate within a flat structure. The combination of the autonomous and centralized functions creates a hybrid matrix, such that employees report upward for assignment of their daily operational duties, and horizontally to a project manager when participating as team members on data standardization projects.

Some of the factors which favor a matrix organization at the corporation include:

- Each bank retains its own customers, yet customer data is processed centrally.

- Demand for loans is uncertain, and each bank has individually customized loan and deposit services. According to Prof. Stephen Borgatti (2001), demand uncertainty makes wholly-vertically integrated firms a bad idea, since they are less agile during market fluctuations.

- Each entity has a different degree of complexity in how its transactions are processed.

- There are no standardized rules and procedures that apply throughout the firm.

- The banks are related to each other via a host of ties, both operationally and culturally so that information about each other is always flowing. This helps to coordinate and control the firms across both horizontal and vertical lines.

- Project networks are organized around specific loan and deposit types (e.g., consumer, construction or commercial), rather than by bank.

Because there is not centralized administrative control with a single system of direct supervision, coordination and control of the individual banks is maintained by empowering employees to communicate within and across hierarchies, at will. Some of the ways of encouraging the free exchange of information include:

Reputation. In the financial services industry, everyone talks to everybody. If someone is difficult to work with, or doesn't pull his or her weight, everybody hears about it and it affects that person's ability for inclusion on future projects which could inhibit promotion chances.

Culture. The strong intra-bank culture encourages coordination. Everybody speaks the same language, has similar expectations and understandings of the task, so more can be implicit rather than explicit. People are linked together in a network of communication and influence.

Empowerment

Since project managers are contractors and therefore have no direct authority over any of the corporation's employees, team members are elicited for their participation on projects using social mechanisms. While senior management encourages open communication across hierarchies, neither formal nor implied empowerment is ascribed

to either project managers or to team members. The establishment of project teams and the creation of efficiency in the workflow, therefore, falls to the individual project manager, who must recognize the work needed and seize the initiative. Such a loose methodology works because the corporation's culture is one that (a) is internally consistent, (b) is widely shared, and (c) makes it clear that volunteerism and team cooperation are appropriate behaviors. An organization with such a strong culture has a vision that everyone understands and acts as a hidden mechanism of coordination: everybody works in synchronicity because each understands what the goals are and how the organization attains them.

Conclusion

No matter the organizational structure or the culture, however, in the absence of leadership and the delegation and assumption of responsibility, the theoretical benefits of that structure will be irrelevant. Since an executive sponsor does not usually assume nor delegate a leadership role for initiating bank projects, it falls to the project manager, then, both to assume the mantle of leadership, as well as to empower team members. Some of the empowerment techniques which work well for the author include:

- Delegating responsibility for tasks and requesting team members' commitment to accomplishment them.
- Creating cross-bank team structures by recruiting representatives from all sibling banks.
- Initiating direct communication across bank boundaries, ignoring chain of command.

- Conducting regularly-scheduled project team meetings, conference calls and status reports.

- Sharing all relevant information, using groupware, client-server, and distributed computing.

Reference

Borgatti, Stephen P. (2001, February) 21st Century Organizational Trends. Retrieved 18 July 2006 from http://www.analytictech.com/mb021/trendsin.htm